

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7443

BILL NUMBER: HB 1447

DATE PREPARED: Jan 8, 2001

BILL AMENDED:

SUBJECT: Counting of Full-Day Kindergarten Pupils.

FISCAL ANALYST: Chuck Mayfield

PHONE NUMBER: 232-4825

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that pupils enrolled in full-day kindergarten programs count as one pupil rather than one-half pupil for the purpose of counting pupils under the Primetime program, the definition of average daily membership, and the state transportation distribution. It also provides that the 113% ceiling on changes in Primetime distributions from 1999 to 2000 does not apply to a school that did not participate in Primetime in 1999.

Effective Date: January 1, 2000 (retroactive); January 1, 2002.

Explanation of State Expenditures: *Kindergarten:* The impact of the full-day kindergarten provisions would depend on the number of the school corporations that would implement a full-day kindergarten program. An estimated 9,560 kindergartners are currently enrolled in full-day kindergarten programs. These school corporations fund the second half-day of kindergarten, either through their general fund with state at-risk monies, with Federal Title I monies, or by charging tuition. The statewide population of all kindergartners enrolled in public schools was 70,921 for the 2000-2001 school year.

The following table shows the additional impact of paying the grants under two scenarios: 1) Limited Impact: if only those students who are currently enrolled in a full-day program receive this grant and 2) Full Impact: if all 70,921 students would receive this grant because they are all enrolled in a full-day program.

	<u>Limited Impact</u>	<u>Full Impact</u>
State Regular	\$11,062,591	\$107,895,705
At-Risk	\$444,512	\$1,852,079
Growing Enrollment	\$3,459,392	\$5,816,155
Primetime	\$427,287	\$1,170,926
Transportation	<u>\$246,652</u>	<u>\$2,075,000</u>
Total Costs	<u>\$15,640,434</u>	<u>\$118,809,865</u>

Primetime: This bill also allows school corporations not currently participating in Primetime to receive a distribution if they choose to participate in the future. The bill would increase General Fund and Property Tax Replacement Fund expenditures by \$1,048,000 annually. The increase for FY 2001 is only for six months. The provision would affect two schools: Crothersville Community Schools and Muncie Community Schools. The Gary Community Schools also did not participate in Primetime in 1999 but would not receive money under the new formula.

For CY 2001, the tuition support cap (maximum that can be distributed during CY 2001 to local schools) of \$3,321,000,000 would have to be increased by \$1,048,000. If the cap is not changed, then the two schools will receive additional funding. However, the funding to the other 292 schools would be reduced so that the distribution for CY 2001 equals \$3,321,000,000.

Explanation of State Revenues:

Explanation of Local Expenditures: Added expenditures will depend on the number of school corporations that actually would adopt full-time kindergarten.

Estimates of the **costs** of expanding full-day kindergarten for all children who attend kindergarten in public schools range between \$78 M and \$110 M under the Full Impact scenario. These costs do not consider the costs associated with the kindergartners who currently attend full-day (9,560) and consider only those 61,361 kindergartners who currently attend a half-day (70,921 - 9,560 = 61,361) and the potential students who do not currently attend kindergarten in public schools but attend first grade in public schools (10,000). The added costs include teachers, classrooms, transportation, utilities, and custodial maintenance.

Some school corporations may decide to locate their full-day kindergarten programs in centralized facilities and may need additional administrative staff. Based on a statewide survey conducted by the Department of Education, the number of school corporations that may need additional administrative positions is estimated to range between 20 and 35 as full-day kindergarten is implemented statewide. The added costs associated with these administrative positions could range between \$1.5 M and \$2.3 M.

Explanation of Local Revenues: See Explanation of State Expenditures.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local School Corporations.

Information Sources: Department of Education Databases.